

Prime 912

Marketing

	Budget 2005
92346 Marketing Mgmt Administration	353,849
92347 Mrk Mgmt Information Systems	247,471
92470 New technology support	45,000
92367 Lead Generation	30,000
92353 Customer Programs	24,500
92315 Sales Training	132,937
	<u>833,757</u>

P & V Effective Energy Use Education (C-8) 1A
P & V Effective Energy Use Education 1 1B
Newer Technologies designed to help IL businesses be r (C-8) 1C
Energy Education Program mailings tied to New Technol
Energy Education Business Customer Outreach Program
Professional development of Energy Best Practices

Community Relations/Economic Development

92343 Education Support Mat'l 7,500

Economic Development Education and Outreach

Corporate Planning / Research

92324 Business Intel 20,740
92325 Corporate Research 473,581
494,321

Energy & Environmental Analysis
Consumer & Market Research Analysis

Commercial Multi Site Sales

92311 CommMulti Sales Admin 89,806
92374 Hospitals, Schools, Institutions 287,446
92375 National Accounts 178,663
92359 Single Site Commercial Sales 64,808
92362 Comercial Tech Spec 94,129
91336 Incentive Comp 71,074
785,926

P & V - Effective Energy Use Educational Programs
P & V - Effective Energy Use Educational Programs
P & V - Effective Energy Use Educational Programs
P & V - Effective Energy Use Educational Programs
P & V - Effective Energy Use Educational Programs
Bonus

Major Sales

92312 Director Sales 119,195
92377 General Industrial 320,566
92378 Metals 88,139
92373 Major Inside Sales 87,553
92381 General Inside Sales 133,475
92560 Major Tech Specialist 97,585
92382 Process Application Specialist 85,418
91337 Incentive Comp 72,539
1,004,470

P & V - Effective Energy Use Educational Programs
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P & V - Effective Energy Use Educational Programs
P & V - Effective Energy Use Educational Programs
P & V - Effective Energy Use Educational Programs
Bonus

92313 Major Industry Sales Admin 86,444

Payroll and Vouchers

92330 Sales & Custm'r Service Admin 185,031

Payroll and Vouchers

92384 Gas Cost Cust. Comm. 60,000

Cust. Comm. Targeted specifically to gas cost issues

Prime 912 Subtotal

3,457,449

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92346 MARKETING MANAGEMENT ADMINISTRATION

2005 Budget: \$353,849

Description:

Management payroll for four, full-time company employees: coordinator, planner, product developer, and sales administrator

Professional services fees for outside contractor

Vouchers for telecommunications, travel, postage, coping

Detail:

Management (Payroll) \$257,982

Contractor (E-Source) 50,000

Vouchers 45,867

Use:

The primary purpose of this activity is to strategically align company resources with commercial and industrial customer needs for products and services. Additional purposes include informing customers of employee contacts (see appendix item 16). Key outreach activities include planning programs (such as: Illinois Association of School Board Officials' Energy Outlook – January 29, 2004; Natural Gas Price Volatility Workshop – February 4, 2004 and March 16, 2004 in conjunction with Illinois Department of Commerce and Economic Opportunity; Winter Energy Price Outlook – September 27, 2004) designed to educate customers on natural gas and energy prices; investigation of new energy technologies designed to provide customers' higher efficiencies; and, provide business customers' service.

Platt's E-Source membership benefits include - copies of E-Sources strategic and technology reports, bi-monthly bulletin E-News, detailed energy analysis and technology review by market segment, access to detailed reports by commercial and industrial Energy Managers on topics including: price volatility, utility best practices, and energy technologies. E-Source also provides "pass-through" reports which the account executives and technical specialist use or refer to customers (please see appendix items 20(a-d) as examples).

92347 MARKETING MANAGEMENT INFORMATION SYSTEMS

2005 Budget: \$247,471

Description:

Management payroll for two, full-time company employees: market application consultant and sales application consultant (these are full time Nicor Gas employees – not outside contractors)

Professional services fees for outside contractor

Vouchers for telecommunications, travel, postage, coping

Detail:

Management (Payroll)	\$144,871
Contractor	82,500
Vouchers	20,100

Use:

The primary purpose of this activity is to effectively use information technology resources. Examples include: maintenance of reporting system for tracking costs to affiliates; database management to support other departments (examples include boundary mapping in order to ensure municipal taxes are collected accurately); identify customers that benefit from higher efficiency technologies; and, database management programs to enhance the delivery accuracy of key mailings (such as CASS certification software, Donnelly Marketing address validation) in order to lower return mail.

92470 NEW TECHNOLOGY SUPPORT

2005 Budget:

\$45,000

Description:

Technology and Market Assessment Forum participation to identify new technologies that will help industrial customers more effectively use energy. Our efforts are centered on supporting our major commercial and industrial customers – by providing consultation on new energy technologies which may help them be more competitive – therefore remaining in business and providing economic benefits to those who live in the State of Illinois.

Detail:

Energy Solution Center Membership \$30,500

Gas Technology Institute 14,500

Use:

Large industrial customers support Nicor Gas' overall system and infrastructure - loss of these customers means the remaining customers must cover additional burdens to replace the load loss. The new technology funds are directed at identifying, evaluating, and siting new or commercialized technologies with larger industrial customers. (Please see appendix items 6,7,8,10 (a-f), 13, 14 (a-e), 15 (a-d))

The Energy Solutions Center provides a series of Technology Market Assessment Forums throughout the year where utilities, manufacturers, and the Government agencies (usually the Department of Energy) exchange information on best practices and emerging technologies. (Please see appendix item 23)

The Gas Technology Institute serves as a "hands on" provider of commercialized and nearly commercialized energy efficient technologies for commercial and industrial customers of all size ranges.

92367 LEAD GENERATION

2005 Budget:

\$30,000

Description:

Postage for mailing educational collateral to commercial and industrial customers.

Detail:

Postage & Fulfillment

\$30,000

Use:

The primary purpose of this account is postage for commercial and industrial customer collateral mailings. Specifically, these resources include mailing information on Nicor Gas' on-line electronic news letter (see appendix items 2 and 2A), and other collateral to identified commercial and industrial customers. (Please see appendix items 11, 12, 17, 18, and 21).

92353 CUSTOMER PROGRAMS

2005 Budget: \$24,500

Description:

Programs designed to educate customers on natural gas pricing in order to help them more effectively manage their energy costs.

Detail:

Program materials & services \$24,500

Use:

Businesses desire "predictability" in energy costs – recent national factors have made that need difficult / challenging. These funds support out reach efforts – some of which are in conjunction with the Illinois Department of Commerce and Economic Opportunity, the Energy Resource Center from the University of Illinois, or on our own.

92315 SALES TRAINING

2005 Budget:

\$132,937

Description:

Management payroll for one, part-time, company employee: training administrator
Seminars and meeting fees for employee professional training
Vouchers for publications, travel, postage, coping

Detail:

Management (Payroll)	\$43,338
Seminars	55,800
Vouchers	33,799

Use:

The primary purpose of this activity is training to build enriched, more professional energy professionals. Nicor Gas customers expect employees to provide value and be a resource when they need answers to technology questions, best practices, and who to speak with to resolve important issues.

92343 EDUCATIONAL SUPPORT MATERIAL

2005 Budget: \$7,500

Description:
Program grant for Educational Materials

Detail:
Educational Materials \$7,500

Use:
Nicor Gas provides an educational grant to The National Energy Foundation (see appendix 28) to provide free instructional natural gas materials (see appendix 29) to educators and students in schools throughout its service area. Teachers integrate educational materials into their curriculums. The resources/materials provide another way for Nicor to communicate key messages about natural gas safety and energy awareness.

In 2003-04, The National Energy Foundation, through our grant, fulfilled educational materials to 396 teachers, in 148 communities, in northern Illinois.

92324 BUSINESS INTELLIGENCE

2005 Budget:

\$20,740

Description:

Management payroll for one, full-time company employee; Sr. Business Intelligence Analyst (a percentage is billed out to affiliates)

Membership dues to the Society of Competitive Professionals

Vouchers for office supplies, meetings, postage, coping

Detail:

Management (Payroll)	\$12,940
Membership Dues	800
Vouchers	7,000

Use:

Business Intelligence costs relate to research, analysis and insight into the external environment and it's impact on Nicor. A major focus is on natural gas industry issues, including natural gas supply, demand and pricing forecasts; and research support for Nicor's midstream development and retail initiatives, as well as the corporate planning process.

92325 CORPORATE RESEARCH

2005 Budget:

\$473,581

Description:

Management payroll for three, full-time, company employees: 1 Manager, 1 Sr. Market Research Analyst, and 1 Marketing Analytics Manager (a percentage is billed out to affiliates)

Consultants and Professional Services for various projects (see below)

Software Licensing for Business Analyst, by ESRI

Vouchers for telecommunications, office supplies, travel, meetings, postage

Detail:

Management (Payroll)	\$169,581
Consultants & Professional Services for Projects:	
Residential/Small Commercial CVA Study	90,000
Large Customer CVA Study	18,000
JD Power Residential Customer Satisfaction	30,000
Reputation/Comm Effectiveness Research	60,000
Architect/Engineer Research	30,000
Market Share Study	40,000
Software Licensing	20,000
Vouchers	16,000

Use:

Corporate Research and Planning costs support three distinct functions—providing primary research, analysis and insight to internal clients to better understand customers' perceptions and behaviors for process improvement; conducting advanced analytics and predictive modeling to predict customer behavior and action to improve marketing campaign effectiveness primarily for Nicor's retail affiliates; and facilitating business units' strategic planning process, including the preparation of the Three-Year Nicor Business and Financial Plan for the Board of Directors. Costs related to the utility are charged to Nicor Gas while payroll and other vouchers that directly support Nicor Inc. or subsidiaries are billed to those units.

Commercial Multi Site Sales
92311 COMMERCIAL MULTI SITE SALES ADMINISTRATION

2005 Budget: \$89,806

Description:

Management payroll for one, full-time company employee: sales administrator
Vouchers for telecommunications, travel, postage, coping, trade association memberships

Detail:

Management (Payroll)	\$69,154
Vouchers	20,652

Use:

The primary purpose of this activity is to help customers with energy projects – which may through efficiencies reduces the throughput of load, but is in the best interest of our customers. Additional purposes include informing customers of employee contacts (please see appendix item 16). Activities include planning programs designed to educate customers on natural gas and energy prices.

92374 HOSPITALS, SCHOOLS, INSTITUTIONS

2005 Budget: \$287,446

Description:

Management payroll for four, full-time, company employees: account executives servicing the hospitals, schools and institutions commercial customers
Vouchers for telecommunications, travel, postage, coping, trade association memberships

Detail:

Management (Payroll)	\$236,456
Vouchers	50,990

Use:

The primary purpose of this activity is to help customers with energy projects — which may through efficiencies reduces the throughput of load, but is in the best interest of our customers. Additional purposes include informing customers of employee contacts (please see appendix item 16). Activities include planning programs designed to educate customers on natural gas and energy prices.

92375 NATIONAL ACCOUNTS

2005 Budget: \$178,663

Description:

Management payroll for two, full-time, company employees: account executives servicing the national accounts customers

Vouchers for telecommunications, travel, postage, coping, trade association memberships

Detail:

Management (Payroll) \$144,496

Vouchers 34,167

Use:

The primary purpose of this activity is to help customers with energy projects – which may through efficiencies reduces the throughput of load, but is in the best interest of our customers. Additional purposes include informing customers of employee contacts (please see appendix item 16). Activities include planning programs designed to educate customers on natural gas and energy prices.

92359 SINGLE SITE COMMERCIAL SALES

2005 Budget: \$64,808

Description:

Management payroll for one, full-time, company employee: account executive servicing the single site commercial customers

Vouchers for telecommunications, travel, postage, coping, trade association membership

Detail:

Management (Payroll) \$55,123

Vouchers 9,685

Use:

The primary purpose of this activity is to help customers with energy projects – which may through efficiencies reduces the throughput of load, but is in the best interest of our customers. Additional purposes include informing customers of employee contacts (please see appendix item 16). Activities include planning programs designed to educate customers on natural gas and energy prices.

92362 COMMERCIAL TECHNICAL SPECIALIST

2005 Budget: \$94,129

Description:

Management payroll for one, full-time, company employee: commercial technical specialists

Vouchers for telecommunications, travel, postage, coping, trade association memberships

Detail:

Management (Payroll) \$79,212

Vouchers 14,917

Use:

The primary purpose of this activity is to support the account executives in helping customers with energy projects – which may through efficiencies reduces the throughput of load, but is in the best interest of our customers. Additional purposes include informing customers of employee contacts (please see appendix item 16). Activities include planning programs designed to educate customers on natural gas and energy prices.

91336 INCENTIVE COMPENSATION

2005 Budget: \$71,074

Description:

Bonus for the commercial account executives and the commercial technical specialists

Detail:

Bonus \$71,074

Use:

The primary purpose of this activity is to motivate employees to remain active with their customers in order to provide a high level of support with energy efficient projects. Additional purposes include informing customers of employee contacts.

Major Sales
92312 DIRECTOR SALES

2005 Budget: \$119,195

Description:

Management payroll for one, full-time, company employee: sales leadership
Vouchers for telecommunications, travel, postage, coping, trade association memberships

Detail:

Management (Payroll)	\$107,620
Vouchers	11,575

Use:

The primary purpose of this activity is to provide leadership direction, employee development coaching, and ensure control relative to professional, ethical, and customer service guidance to the account executives and technical specialists. Additional responsibilities include championing commercial and industrial customer issues to other departments within Nicor Gas.

92377 GENERAL INDUSTRIAL SALES

2005 Budget: \$320,566

Description:

Management payroll for five, full-time, company employees: account executives servicing the very large, general industrial customers. Vouchers for telecommunications, travel, postage, coping, trade association memberships

Detail:

Management (Payroll)	\$260,998
Vouchers	59,568

Use:

The primary purpose of this activity is to help customers with energy projects – which may through efficiencies reduces the throughput of load, but is in the best interest of our customers. Additional purposes include informing customers of employee contacts (please see appendix item 16). Activities include planning programs designed to educate customers on natural gas and energy prices.

92378 METALS

2005 Budget:

\$88,139

Description:

Management payroll for one, full-time, company employee: account executive servicing the metals market customers

Vouchers for telecommunications, travel, postage, coping, trade association memberships

Detail:

Management (Payroll)

\$75,222

Vouchers

12,917

Use:

The primary purpose of this activity is to help customers with energy projects – which may through efficiencies reduces the throughput of load, but is in the best interest of our customers. Additional purposes include informing customers of employee contacts (please see appendix item 16). Activities include planning programs designed to educate customers on natural gas and energy prices.

92373 MAJOR INSIDE SALES

2005 Budget: \$87,553

Description:

Management payroll for one, full-time, company employee: inside sales administrator for industrial customers

Vouchers for telecommunications, travel, postage, coping, trade association memberships

Detail:

Management (Payroll) \$78,936

Vouchers 8,617

Use:

The primary purpose of this activity is to help customers with energy projects – which may through efficiencies reduces the throughput of load, but is in the best interest of our customers. Additional purposes include informing customers of employee contacts (please see appendix item 16). Activities include planning programs designed to educate customers on natural gas and energy prices.

92381 GENERAL INSIDE SALES

2005 Budget: \$133,475

Description:

Management payroll for one, full-time, company employee: account executive servicing the general industrial customers

Vouchers for telecommunications, travel, postage, coping, trade association memberships

Detail:

Management (Payroll) \$112,515

Vouchers 20,960

Use:

The primary purpose of this activity is to help customers with energy projects – which may through efficiencies reduces the throughput of load, but is in the best interest of our customers. Additional purposes include informing customers of employee contacts (please see appendix item 16). Activities include planning programs designed to educate customers on natural gas and energy prices.

92560 MAJOR TECHNICAL SPECIALISTS

2005 Budget: \$97,585

Description:

Management payroll for one, full-time, company employee: technical specialists servicing the major industrial customers

Vouchers for telecommunications, travel, postage, coping, trade association membership

Detail:

Management (Payroll) \$84,268

Vouchers 13,317

Use:

The primary purpose of this activity is to help customers with energy projects – which may through efficiencies reduces the throughput of load, but is in the best interest of our customers. Additional purposes include informing customers of employee contacts (please see appendix item 16). Activities include planning programs designed to educate customers on natural gas and energy prices.

92382 PROCESS APPLICATION SPECIALIST

2005 Budget: \$85,418

Description:

Management payroll for one, full-time, company employee: technical specialist servicing the major industrial customers that have specific process requirements

Vouchers for telecommunications, travel, postage, coping

Detail:

Management (Payroll)	\$70,991
Vouchers	14,427

Use:

The primary purpose of this activity is to help customers with energy projects – which may through efficiencies reduces the throughput of load, but is in the best interest of our customers. Additional purposes include informing customers of employee contacts (please see appendix item 16). Activities include planning programs designed to educate customers on natural gas and energy prices.

91337 INCENTIVE COMPENSATION

2005 Budget: \$72,539

Description:

Bonus for the industrial account executives and the industrial technical specialists

Detail:

Bonus \$72,539

Use:

The primary purpose of this activity is to motivate employees to remain active with their customers in order to provide a high level of support with energy efficient projects. Additional purposes include informing customers of employee contacts.

92313 MAJOR INDUSTRY SALES ADMINISTRATION

2005 Budget: \$86,444

Description:

Management payroll for one, full-time, company employee: sales administration for major industrial customers

Vouchers for telecommunications, travel, postage, coping, trade association memberships

Detail:

Management (Payroll) \$72,767

Vouchers 13,677

Use:

The primary purpose of this activity is to help customers with energy projects – which may through efficiencies reduces the throughput of load, but is in the best interest of our customers. Additional purposes include informing customers of employee contacts (please see appendix item 16). Activities include planning programs designed to educate customers on natural gas and energy prices.

92330 SALES & CUSTOMER SERVICE ADMINISTRATION

2005 Budget: \$185,031

Description:

Payroll for 1 management employee, 3 clerical employees and temporary clerical help
Vouchers for office supplies, postage, copying, seminars, transportation

Detail:

Management (payroll)	\$67,173
Clerical Regular (payroll)	77,591
Temporary Clerical Help	5,055
Vouchers	35,212

Use:

Sales and Customer Service Administration provides administrative support for the
Customer Care VP and for the Marketing & Sales area as well as Community Relations.

92384 GAS COST CUSTOMER COMMUNICATIONS

2005 Budget: \$60,000

Description:

Customer communications on gas costs

Detail:

Consultants and Professional Services	\$40,000
Vouchers	20,000

Use:

From a residential customer perspective, the primary use of this activity will be to keep customers informed and educated on issues regarding natural gas costs. Issues will include such topics as factors affecting the cost of natural gas, using natural gas efficiently, getting on a payment plan and financial assistance options. The delivery method will be both print and electronic. Activities will include the writing, design and printing of various pieces.

From a business customer perspective, the primary purpose of this activity will be to educate customers on the best use of their energy dollars and how to keep in contact with Nicor Gas when specifying natural gas equipment for their projects. A secondary purpose will be to keep customers informed on the price of natural gas and alternative fuel sources. (see appendix items 25, 26 and 27)

Prime 913

92369 Collatral Materials	121,100	Case study printing, technical resources for comms.
91697 Display	24,600	Event display design and creation
92370 Commercial Multisite Campgns	32,500	P & V - Effective Energy Use Educational Programs
92371 Major Industrial Campaigns	37,500	P & V - Effective Energy Use Educational Programs
91700 Direct Marketing	75,000	Energy Awareness Events
91028 Billed From NICOR-Branding	339,625	"Charge back" from Nicor Inc. to Nicor Gas

(C-8) 2A
2B
2C
2D
2E
2F

Prime 913 Subtotal

630,325

92369 COLLATERAL MATERIALS

2005 Budget: \$121,100

Description:

- Professional services
- "Gas Technology" subscription fee
- Printing fees

Detail:

Consultants and Professional Services	\$95,000
Vouchers	15,100
Subscription Fee	11,000

Use:

The primary purpose of this activity is to support third-party technical resources that assist us with customer communications. Specifically:

- Tech Resources (\$45,000 annual fee) – Host of our online e-newsletter which is offered free to business customers. The newsletter not only provides a wealth of information on the latest in the energy industry, it also provides access to large databases of technical, business, and engineering documents plus targeted research tools for patent searches, company profiles, and more. Another key feature of our newsletter is called "Ask an Expert." This feature gives customers the ability to phone-in or email questions they may have regarding any energy-related topic. A team of researchers, development experts and engineers are on hand to address their questions and provide a personal response. (see appendix items 2 and 2A)
- EnVINTA (\$25,000 annual fee) – Host of our "Navigator" online energy assessment tool that gives business customers the ability to evaluate their energy strategy and benchmark their energy efforts against those of similar businesses. Upon completion of a survey, Navigator provides a report giving customers a better understanding of their company's level of commitment to improving their energy use and how to build a strategy for continual improvement. Navigator archives their reports, making it easy to track their energy efficiency improvement progress. Nicor Gas provides this service free to its customers. (see appendix item 24)
- E-Source Membership (\$25,000 annual fee) - Our membership benefits include - copies of E-Sources strategic and technology reports, bi-monthly bulletin E-News, detailed energy analysis and technology review by market segment, access to detailed reports by commercial and industrial energy managers on topics including: price volatility, utility best practices, and energy technologies. E-Source also provides "pass-through" reports which the account executives and technical specialists use or refer to customers.

(see appendix items 20A, 20B and 20C)

A secondary purpose is to support the printing of collateral materials (case studies) related to energy efficiency and natural gas technologies. (see appendix items 10A through 10F)

The final purpose is to support our subscription to "Gas Technology," a "trimester" publication provided by the Energy Solutions Center. Our GT subscription is for 4,000 copies. In 2003, we included a cover letter with the magazine. However, when we began the online newsletter service, we began plans to eliminate the "paper" copies and the cover letter expense. For 2004, we ran a pilot with the ESC for 200 hard copies and 3,800 electronic copies; which we email to our on-line newsletter audience. We expect 2005 to continue as 2004. (see appendix item 23)

91697 DISPLAY

2005 Budget:

\$24,600

Description:

- Professional services fees for display design
- Costs for display elements (fomebord, frames, skins, hardware, etc.)

Detail:

Consultants and Professional Services	\$18,100
Vouchers	6,500

Use:

The primary purpose of this activity is to use to design and create educational "displays" and related signage for trade shows, as well as for other customer-focused events.

This could include something as simple as a directional sign at a customer event to something as complex as a 10-foot pop-up display for a trade show.
(see appendix item 22)

92370 COMMERCIAL CAMPAIGNS

2005 Budget: \$32,500

Description:

- Professional services fees for collateral development and design
- Costs for collateral printing

Detail:

Consultants and Professional Services	\$25,000
Vouchers	7,500

Use:

The primary use of this activity is to get energy efficiency and natural gas technology information into the hands of our commercial customers. To this end, we continually develop and create "collateral" (case studies, product sheets, fax back bulletins, mailers, event invitations, etc.) that we feel will benefit our commercial customers.
(see appendix items 7, 8, 9, 11, 12, 13, 14A through 14E, 16, 17, 18, and 19)

92370 INDUSTRIAL CAMPAIGNS

2005 Budget: \$37,500

Description:

- Professional services fees for collateral development and design
- Vouchers for collateral printing

Detail:

Consultants and Professional Services	\$25,000
Vouchers	12,500

Use:

The primary use of this activity is to get energy efficiency and natural gas technology information into the hands of our industrial customers. To this end, we continually develop and create "collateral" (case studies, product sheets, fax back bulletins, mailers, event invitations, etc.) that we feel will benefit our industrial customers.
(see appendix items 6, 9, 11, 12, 13, 15A through 15E, 16, 17, 18, and 19)

91700 PROMOTIONAL EVENTS (formerly Direct Marketing)

2005 Budget:

\$75,000

Description:

Targeting residential customers, Nicor Gas will sponsor a series of energy awareness events at appropriate venues – such as “home shows,” retail outlets and chamber-sponsored opportunities. The events would be designed to increase Nicor’s involvement in its communities – specifically by leveraging its environmental and energy expertise – to improve quality of life in the communities in which it does business.

Detail:

Consultants and Professional Services	\$60,000
Vouchers	15,000

Use:

The activity will be used for the planning and implementation of such events. Activities will include the analysis and procurement of venues, the development of relevant partnerships, and the development and creation of specialized information pieces and related giveaway items.

At each event, Nicor Gas representatives would be on hand to share natural gas safety information (especially regarding appliance connectors), as well as help customers with their gas cost concerns through our “Get With The Plan” campaign information.

In addition, ideally each event will be “hosted” by a celebrity spokesperson who will do presentations on behalf of Nicor Gas related to energy efficiency, equipment/product recommendations and natural gas safety. The spokesperson’s fee will also come from this activity.

91028 BILLED FROM NICOR

2005 Budget: \$339,625

Description:

This is the Nicor Gas portion of the "charge back" from Nicor Inc. expenditures allocated in the Corporate Communications budget.

While the corporation as a whole benefits from these programs and activities, the individual Nicor companies benefit in relation to their size and scope. A "charge back" formula has been developed based on each company's revenues and number of employees. This formula is adjusted quarterly. In the first quarter, 2004, 38.77% of the charge back was allocated to Nicor Gas.

Detail:

Branding Pool Charges \$339,625

Use:

This use of this activity is divided into 5 areas:

- Corporate Reputation (\$222,927) – Various outreach programs designed to further involve Nicor in the communities it serves; building a positive rapport with employees, customers, schools, municipalities and the media. These programs include:
 - Executive Communications (for employees)
 - Town Hall Meetings (for employees)
 - Energy Efficiency Events
 - Schools/Community Events
 - Speakers Bureau (training employees to speak at energy efficiency and school events)
 - News Bureau (promotion of special events to the media)
 - Community Talk Program (developing a dialogue with community stakeholders)
 - Corporate Social Responsibility
 - Nicor Volunteerism (employees volunteering in communities throughout Nicor's service territory)
- Sponsorships (\$81,417):
 - Brookfield Zoo - Mutually beneficial partnership based on the Zoo's philosophies on wildlife and natural resources conservation and Nicor Gas' philosophies on promoting the benefits of natural gas and using energy efficiently. The zoo agreement allows Nicor Gas the opportunity to distribute energy efficiency, natural gas safety and Budget Plan information to zoo guests, a majority of whom are Nicor Gas customers.
 - Kane County Cougars – This family venue is used to promote the benefits of natural gas (there is a natural gas tram and gas lights on-site). The Cougars agreement allows Nicor Gas the opportunity to distribute energy

efficiency, natural gas safety and Budget Plan information to their guests, a majority of whom are Nicor Gas customers.

- Sponsorship Support and Leveraging - Opportunistic dollars for leveraging and enhancing our current sponsorships, as well as for exploring new opportunities.
- Web Administration (\$25,201) – Costs related to Nicor.com Web design and navigation work, stock photo purchases and usability research.
- Market Intelligence (\$6,203) – Costs charged from Nicor Inc. that relate to research, analysis and insight into the external environment and its impact on Nicor Gas. A major focus is on natural gas industry issues, including natural gas supply, demand and pricing forecasts, as well as the corporate planning process.
- Administrative (\$3,877) – General support (printing, postage, meetings, etc.) of this activity.

WP (C-8) 3



Prime 916

92364 Sales Recognitions

30,000

Quarterly Recognition Program

(C-8) 3A



92364 SALES RECOGNITIONS

2005 Budget: \$30,000

Description:

Customer Care business meeting. Quarterly recognition program for the Account Executives.

Detail:

Business meeting	\$15,000
Quarterly recognitions	15,000

Use:

The primary purpose of this activity is the Customer Care department business meeting. The quarterly recognition program recognize employees that have supported customers needs for energy technology services that resulted in retaining existing customer load, or adding new load.

*work paper
reference*

Reference

1	Natural Gas Odor Scratch & Sniff	(C-8) 4A
2	Online Service Brochure	4B
2A	- E-Newsletter (July 16)	4B
3	Welcome to Neighborhood Packet	4C
4	Natural Gas Safety in Your Home	4D
5	Appliance Connector Warning	4E
6	Cogeneration Description	4F
7	Cogeneration Educational Facilities	4G
8	Cogeneration Health Care	4H
9	Economic Development	4I
10	Case Studies	(C-8) 4J
10A	- ABT Electronics	4J
10B	- Brookfield Zoo	
10C	- Cub Foods	
10D	- Elgin Community College	
10E	- Hoffer Plastics	
10F	- Presbyterian Homes	
11	Get to Know the Energy Experts	(C-8) 4K
12	Energy Experts on Call	4L
13	Absorption Chillers	4M
14	PurAero	(C-8) 4N
14A	- Overview	
14B	- Air Duct Sealing	
14C	- Desiccant Dehumidification	
14D	- Make-Up Air	
14E	- Mold & Bacteria Treatment	
15	Green Ox	(C-8) 4O
15A	- Overview	
15B	- VOC Destruction	
15C	- Wastewater Reduction I	
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- 16 Account Executive Letter
- 17 Standby Fax Back
- 18 Asset Management Fax Back
- 19 Rates & Transportation Service Options
- 20 E-Source Pass through Reports
- 20A - Managing Energy Costs in Limited-Service Motels
- 20B - Managing Energy Costs in Schools
- 20C - Managing Energy Costs in Colleges and Universities
- 20D - Managing Energy Costs in Full-Service Hotels
- 21 Products and Services Sheet
- 22 Navigator Display
- 23 Gas Technology Magazine
- 24 Navigator Assessment and Management Report
- 25 Energy Spotlight (February, 2004)
- 26 Energy Solutions@Work (March, 2004)
- 27 Energy Solutions@Work (August, 2004)
- 28A-C National Energy Foundation
- 29A-P Instructional Materials -National Energy Foundation

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**TRAIN YOUR NOSE TO KNOW
THE ODOR OF NATURAL GAS...**

Natural gas is odorless, but Nicor Gas adds the distinctive odor for your safety. If there's natural gas in the air, your nose will let you know. It's important that everyone in your family recognizes the odor of natural gas and knows what to do when they smell it.

Scratch this
flame with
your fingernail.
What you
smell
is mercaptan,
the odorant
we add to
natural gas.



nicor
GAS